

**MINUTES OF THE
CHARITABLE GAMING BOARD
MEETING
CONFERENCE ROOM C, GENERAL ASSEMBLY BUILDING
RICHMOND, VIRGINIA
September 9, 2003**

Call to Order

Department of Charitable Gaming Director, Clyde E. Cristman, called the inaugural meeting of the Charitable Gaming Board to order at 1:00 p.m.

Roll Call

Director Cristman called the roll and announced that a quorum was present.

Present: Members Carroll L. Bridgeforth, Emmitt H. Carlton, Ruth M. Ellett, Donald R. Fields, John C. Goolrick, Tony Landis, Thomas J. Lehner, Richard I. Miller, and Michael Sheffield.

Secretary of Administration's Remarks

The Honorable Sandra D. Bowen, Secretary of Administration, congratulated the members on their appointment to the Board and thanked them for their willingness to serve. She also proclaimed that this was a new day for charitable gaming in Virginia and with new management, a new organizational structure, and a distinguished board all these elements would contribute to improvement in the oversight of charitable gaming and elevate the confidence that the citizens of Virginia place in the Department.

Adoption of Bylaws

Director Cristman explained that the Board Members had been sent a draft of the proposed Bylaws and he asked for a motion to adopt these Bylaws. A motion was made, seconded and with no further discussion, the Commonwealth of Virginia Charitable Gaming Board Bylaws were unanimously adopted. The Bylaws outline the procedure for electing a Chair and Vice Chair which was the next order of business.

Election of Chair and Vice Chair

Director Cristman called for nominations for the Chair. Thomas Lehner nominated Ruth Modlin Ellett and the nomination was seconded. There being no other nominations, Mrs. Ruth Modlin Ellett was unanimously elected Chair of the Charitable Gaming Board.

Minutes of the Meeting of the
Charitable Gaming Board
September 9, 2003

Chair Ellett called for nominations for Vice Chair. Don Field nominated Emmitt Carlton and the nomination was seconded. There being no other nominations, Mr. Emmitt Carlton was unanimously elected Vice Chair of the Charitable Gaming Board.

Approval of Minutes

Chair Ellett explained that each Board Member had been sent a copy of the minutes of the last meeting of the Charitable Gaming Commission on June 26, 2003, to review. She asked Don Fields and John Goolrick who also had served on the Commission if they saw any changes that needed to be made. There being no changes, the minutes of the June 26, 2003, meeting of the Charitable Gaming Commission were unanimously accepted as written.

Report to the Governor and the 2004 General Assembly

Chair Ellett asked Director Cristman to review the 5th Enactment Clause of SB1278 that requires the Board to provide a report to the Governor and the 2004 General Assembly outlining the regulatory actions they plan to take in updating the regulations and adjusting the percentage of gross receipts to be used for charitable purposes by qualified organizations and an anticipated timetable for action.

The Director stated that it is not unusual for the General Assembly to require a new Board to provide such a detailed report as their first legal action and that it would be very difficult to even draft a report before the General Assembly Session convened in December. He suggested that the Board adopt a report that discusses the process that the Board will put in place to examine the regulations and computation of gross receipts that are required for charitable purposes. He suggested that the staff could develop a draft report for review by the December meeting.

Director Cristman discussed the timeline for the regulatory review process that is set by the Administrative Process Act. He indicated the minimum amount of time to meet the requirements of the Code is 18 months and to anticipate 24 months to adopt new regulations. He proposed that the Board establish a goal to have the new regulations in place no later than January 2006 and to include this as a goal in the report to the General Assembly. Director Cristman also suggested that between now and March 2004 that the Board hold a series of focus group meetings around the state. The focus group meetings would be announced via the Department's website. Plans would be made to have at least one Board member along with Department staff in attendance at each focus group meeting to facilitate the meetings and to record the proceedings.

Chairman Ellett asked for a motion to direct the Department to prepare a progress report to the Governor and the 2004 General Assembly that would outline the process for updating the regulations and establish dates and locations for a series of focus groups to be held around the state. The motion was made, seconded and following no further discussion, the motion was unanimously adopted.

Goal of the Department of Charitable Gaming

Director Cristman discussed the list of 2004-2006 Agency Goals of the Department that had been sent to the Board Members for their review. He explained that these goals had been developed to give the staff guidance in terms of where the Department needed to be going and the things that need to be accomplished to make the vision become a reality. The first two areas of technology and training have goals that deal with both internal staff needs and key customer needs while the third area of regulatory and administrative issues addressed how the agency plans to improve in areas mentioned in the JLARC report.

Board Member Richard Miller inquired as to what happens to the December 2004 deadline on licenses of organizations that rent, but do not make their use of proceeds and if we have a date of January 2006 for regulation changes. He stressed that something should be done about the 2004 deadline now. Director Cristman responded that he would have more information to share with the Board on this matter at the December meeting.

Board Member John Goolrick questioned where the audit and administration fees we collect from the permitted organizations are now deposited and if this revenue remains with the Department or does it go directly into the general fund? Director Cristman responded that the Appropriation Act that was passed by the 2003 General Assembly, which overrides the Gaming Statute, directs these fees go into the general fund and the Department is then given a general fund appropriation for operating expenses.

Mr. Miller asked that since the Department is operating within a general fund budget, will the Board have an opportunity and the authority to reduce the audit and administration fees if what is being collected plus the budget is more than the Department needs to operate. Can the Board lower the audit fees and give money back to the organizations so more money can go to charity? Director Cristman responded that the audit fee is currently established in the Charitable Gaming Statute and he would need to do some further research this issue and provide a more formal answer at the December meeting.

Future Meeting Schedule

Chair Ellett asked for a motion to adopt the dates of December 2, 2003, March 2, 2004, June 8, 2004, September 14, 2004 and December 7, 2004 as proposed dates for Board meetings. All meetings will begin at 10:00 a.m. and the location for each meeting will be announced. A motion was made and seconded to adopt these dates. There be no further discussion or objections, the above listed dates were unanimously adopted.

Minutes of the Meeting of the
Charitable Gaming Board
September 9, 2003

Public Comment

There was no public comment.

Adjournment

There being no further business, the meeting adjourned at 1:50 p.m.

Submitted by:

Frances C. Jones

Clyde E. Cristman

Frances C. Jones
Recorder

Clyde E. Cristman
Director

Minutes unanimously approved at December 2, 2003 Board meeting.

CEC/fcj
12/2/03